

MOTION

The coronavirus pandemic is already having ripple effects across our communities and the local economy in the City of Los Angeles. Working families are seeing reduced or eliminated paychecks while rent and mortgage payments continue to come due. The City has a responsibility to act urgently in this fast-moving crisis to prevent thousands of families from facing eviction or bankruptcy.

Studies show that 60 percent of Americans are unable to cover an unexpected \$1,000 expense, even under normal circumstances. Here in Los Angeles, we face the added pressure of an affordable housing crisis, with more than 50 percent of tenants rent-burdened, paying more than 30% of their income on rent.

Gig economy workers, service sector workers, retail workers, small business workers, and many others are living under extreme uncertainty. A minimum-wage worker in Los Angeles might already struggle to make rent if they miss one paycheck. But as people increasingly avoid public places because of the new coronavirus, hotels and restaurants in neighborhoods across our city are particularly feeling the impact. Workers -- especially those in the hospitality industry and those that work for tips -- are losing money quickly and families may not have enough money to pay essential bills like gas and electricity.

Further pressure on this group could have devastating impacts across our city. The San Jose City Council adopted a 30-day moratorium on evictions as a result of loss of income to renters due to the coronavirus crisis. The moratorium will require tenants to alert landlords, before rent is due, that they cannot pay and then provide pay stubs and a note from their employer to prove that they've been directly affected by the current coronavirus outbreak. San Jose is also considering adding small businesses under commercial leases to the eviction moratorium, as well as setting aside a pool of additional public funds for San Jose renters and small businesses to access if needed to meet their rent payments.

San Francisco Supervisors are also considering similar legislation. The measure would also temporarily ban late fees when someone can't pay rent because of the coronavirus crisis. Another ordinance under consideration in San Francisco would give small businesses rent stabilization loans, while a potential resolution would ask banks to stop foreclosures and fees during the coronavirus outbreak.

In addition, cities like New York are enacting financial assistance policies for small businesses. In New York, Mayor Bill de Blasio announces businesses with fewer than 100 employees that can document a drop in sales of up to 25 percent are eligible for no interest loans worth up to \$75,000. Small businesses with less than five employees can also apply for direct cash grants of up to \$6,000 to help retain employees during the coronavirus outbreak. Los Angeles should consider implementing similar measures.

The City of Los Angeles should act quickly to enact measures that protect the public health and safety of all residents, while also making sure to help renters, small businesses and workers hurt by the coronavirus outbreak that's damaging the local economy.

I THEREFORE MOVE that Council request the City Attorney, with assistance from the Housing and Community Investment Department (HCID), to draft an emergency ordinance implementing a temporary moratorium on evictions and late fees until the emergency declaration is lifted.

I FURTHER MOVE that the Council request the City Attorney to draft an emergency ordinance requiring all landlords and residential mortgage-holders to work out payment plans to allow tenants and homeowners who are suffering economically due to the coronavirus pandemic up to 24 months to fulfill payment obligations; and requiring all residential landlords to extend expiring leases until at least three months after the end date of the emergency declaration.

I FURTHER MOVE that HCID, in coordination with City Attorney, impose penalties if landlords do not inform tenants of their right to forgiveness of rent during this crisis.

I FURTHER MOVE that Council request the City Attorney draft an emergency ordinance implementing a temporary moratorium on evictions for small businesses under commercial leases, who cannot pay rent due to loss of revenue as a result of the novel coronavirus (COVID-19).

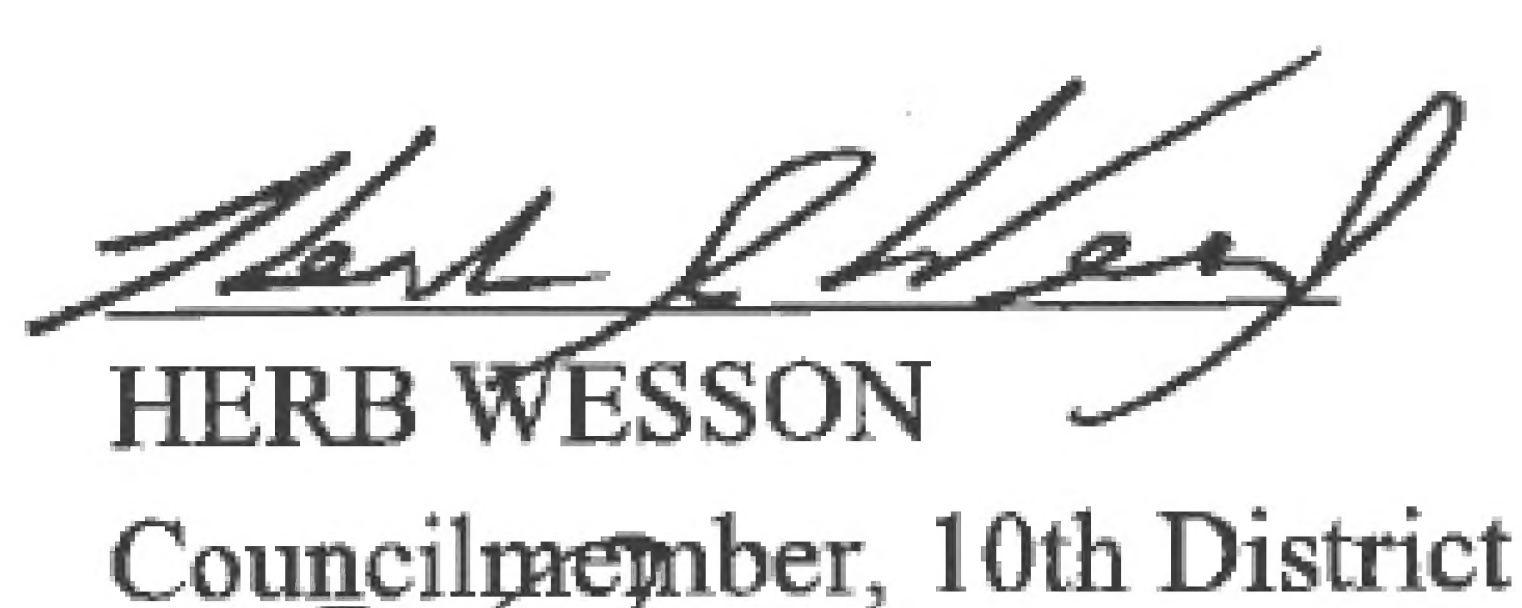
I FURTHER MOVE that the CLA and CAO, in consultation with the Office of Finance, report back with recommendations on reducing or waiving gross receipts tax liability; delaying business tax collection; waiving late penalties and assessments; and waiving permit and other business fees;

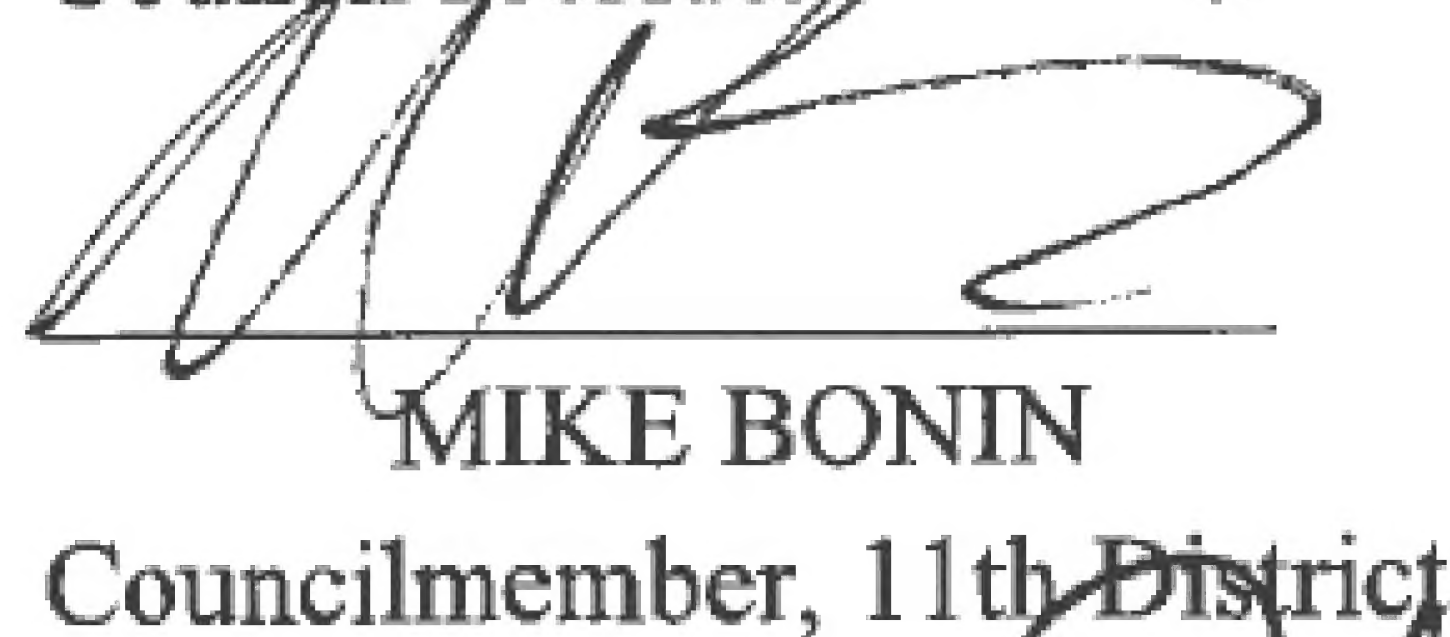
I FURTHER MOVE that the City Council instruct the Economic and Workforce Development Department notify local businesses of the availability of loans from the federal Small Business Administration;

I FURTHER MOVE that the City Council instruct the Chief Legislative Analyst, with assistance from the CAO and the Housing and Community Investment Department, to report with recommendations to create a citywide rental assistance fund for tenants through the Reserve Fund, Budget Stabilization Fund, or other funding available for this purpose.

PRESENTED BY:


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